GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:6843
ANSWERED ON:09.05.2003
SHIFTING OF SPECIAL SERVICES TO STATES
BASUDEB ACHARIA

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Government have taken any decision in regard to shifting of some specified services to the States for taxation purpose; and

(b) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (GINGEE N. RAMACHANDRAN

(a) & (b): The Central Government has initiated legislative measures to suitably amending the Constitution to provide for taxes on services as a specific entry in the Union List of the Seventh Schedule of the Constitution and insertion of a new Article 268A as well as for consequential amendment to Article 270. This will enable Parliament to formulate, by law, principles for determining the modalities of levying taxes on services by the Central Government and collection and appropriation of the proceeds thereof by the Central and State Governments. The legislative process is yet to be completed.